Direct Financial Assistance to Panchayats

†487. SHRI PYARELAL KHANDELWAL: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether Government are considering to evolve an action-plan to make Panchayats self-independent;

(b) if so, the details thereof;

(c) whether Government are considering making a plan about providing assistance from their financial resources directly to the panchayats for roads and other developmental works; and

(d) if so, the details thereof?

THE MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): (a) and (b) The action plan to enable Panchayats to function as self-governing institutions in accordance with the constitutional mandate consists in effective devolution of functions, funds and functionaries to Panchayati Raj Institutions (PRIs). An agreement on the road map for assignment of activities to each level of Panchayat based on the State Legislation and devolution of funds and functionaries patterned on the activity mapping was reached during the first round table conference of Ministers in charge of Panchayati Raj held in Kolkata on 24-25th July, 2004. The devolution of finances necessitates inclusion of a PRI component in the State budgets, provision of untied funds and steps to encourage PRIs to raise their own resources.

(c) and (d) There is no plan to allocate funds directly to Panchayats. However, one of the goals set by the Government in the National Common Minimum Programme is to ensure that funds going to the Panchayats are neither delayed nor diverted. In pursuance of this goal, a Committee in the Ministry of Panchayati Raj went into this issue in detail and submitted its report in May, 2005. On the basis of the recommendations of this Committee, the Ministry of Panchayati Raj supports the position that financial inflows meant for Panchayats should first flow into the Consolidated Fund of the State Governments, but should then be speedily transferred direct to the Panchayats "without delay or diversion". Releases of funds on the basis of recommendations of the Twelfth Finance Commission and under the BRGF Programme conform to this pattern of fun flow.

Backward Regions Grant Fund

488. SHRI VIJAY J. DARDA: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether it is a fact that 250 districts were short-listed for Backward Regions Grant Fund (Rs. 4,670 crores) to reduce regional imbalances and eradicating poverty and backwardness;

(b) if so, the amount that has been disbursed till October 2007; and

(c) the short-listed districts in Vidarbha where suicides by poor farmers are still happening?

THE MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir.

(b) Releases under the Backward Regions Grant Fund (BRGF) Programme include the balance entitlements of the districts covered under the erstwhile Rashtriya Sam Vikas Yojana (RSVY) Programme which have not yet drawn their full allocation, funds for capacity building of Panchayati Raj Institutions (PRIs) and the untied developmental grant. A total amount of Rs.1034.89 crore had been released till October, 2007, of which Rs.525 crore was released on account of RSVY, Rs.32.3 crore for capacity building of PRIs and Rs.477.59 crore as development grant to various districts. The amount released till 17.11.2007 is Rs.1188.96 crore. The respective releases for the three components at present are Rs.585 crore to RSVY districts, Rs.34.3 crore for capacity building and Rs.569.66 crore as development grant under the BRGF.

†Original notice of the question was received in Hindi.